

Message Text

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ACTION NEA-10

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INFO AMEMBASSY ATHENS
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UNCLAS SECTION 1 OF 3 JIDDA 4298

E.O. 11652: N/A
TAGS: BENC, BEXP, SA
SUBJ: MAJOR PROJECTS AWARDS - SAUDI ARABIA

REF: 76 USDOC 17343

1. THE FOLLOWING REPRESENT RECENT MAJOR PROJECTS AWARDS. THE EMBASSY SUBMITS THIS INFORMATION FOR INCLUSION IN COMMERCE'S ANNUAL TALLYING OF PROJECTS AND FOR DISSEMINATION TO U.S. BUSINESS AS RECOMMENDED BY REFTEL. THE EMBASSY INTENDS TO SUBMIT SUCH INFORMATION ON A REGULAR BASIS BUT WILL SUBMIT AD HOC REPORTS SINGLY WHEN THE NATURE AND IMPORTANCE OF THE PROJECTS WARRANTS.

2. A) THREE SPORTS CLUBS, JUBAIL, YENBO, AL GHATT
DATE SIGNED: MAY 31, 1977
TOTAL VALUE: SR 238 MILLION
SAUDI AGENCY: DIRECTORATE GENERAL OF YOUTH WELFARE
AWARDEES: LOSINGER (SWISS), P.O. BOX 2734, JIDDA
FOR SR 92 MILLION, JOEFRID (FRENCH) FOR SR 81
MILLION, GOEHNER (SWISS) P.O. BOX 6000, RIYADH,
FOR SR 65 MILLION.
COMPLETION: 20 MONTHS
DETAILS: THE PRESIDENT ALSO SIGNED AN SR 9.52
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MILLION CONTRACT WITH SWISS CONSULTANTS, WALTER HEUSKER CONSULTING COMPANY WHICH PREPARED THE DESIGNS FOR THE THREE CLUBS TO SUPERVISE THE IMPLEMENTATION OF THE THREE PROJECTS.

B) CONTRACT FOR NEJIRAN DAM PROJECTS, NEJIRAN
DATE ANNOUNCED: MAY 31, 1977
VALUE: SR 277.6 MILLION

SAUDI AGENCY: MINISTRY OF AGRICULTURE AND WATER
AWARDEE: FRENCH FIRM GTM, MARSEILLES
COMPLETION: 36 MONTHS
CAPACITY: OVER 80 MILLION CUBIC METERS OF WATER
DETAILS: PROJECT AIMED AT FURTHER DEVELOPING IMPORTANT
AGRICULTURAL AREA. THE DAM WILL BE THE BIGGEST IN
SAUDI ARABIA WITH A HEIGHT OF 45 METERS AND A WIDTH
OF 200 METERS, AND A STORAGE CAPACITY OF MORE THAN
80 MILLION CUBIC METERS.

C) SAUDI FIRM RESEARCH AND DEVELOPMENT CORPORATION,
CONCLUDED AN AGREEMENT WITH A TAIWAN CEMENT MANU-
FACTUREER FOR SUPPLYING ONE MILLION TONS OF CEMENT
A YEAR. SHIPMENTS WILL BEGIN IN OCTOBER WHEN
CONSTRUCTION BULK CEMENT SILOS (NOW UNDER
CONSTRUCTION) ARE COMPLETED AT TWO SAUDI HARBORS,
JIDDA AND DAMMAM.

D) SECOND STAGE OF JIDDA URGENT HOUSING PROGRAM
DATE SIGNED: MAY 30, 1977
VALUE: SR 757 MILLION
SAUDI AGENCY: MINISTRY OF PUBLIC WORKS AND HOUSING
AWARDEE: SOCIETE AUXILIAIRE D'ENTRIPRISES (FRENCH)
P.O. BOX 459, RIYADH, TELEPHONE 68407
COMPLETION: 21 MONTHS
DETAILS: THE PROJECT COVER THE CONSTRUCTION OF
12EIGHTEEN-STORY BUILDINGS AND WILL PROVIDE PARKING
SPACE, PLAYGROUNDS, AND OTHER FACILITIES WITHIN EACH
BUILDING. THE FIRST STAGE OF JIDDA HOUSING PROGRAM
WAS ASSIGNED TO ANOTHER FRENCH FIRM, BOUYGUE, WHILE
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THE DAMMAM URGENT HOUSING PROGRAM WAS AWARDED TO THE
DUTCH CONCERN, OGEM.

E) METHANOL PROJECT CONTRACT, JUBAIL
DATE SIGNED: LAST WEEK IN MAY 1977
TOTAL VALUE SR ONE BILLION
AWARDEE: A GROUP OF U.S. AND JAPANESE COMPANIES.
JAPANESE METHANOL, LEAGUE, MITSUBISHI GAS CHEMICAL,
C. ITOH, AND THE U.S. FIRM, W. R. GRACE, TO LAUNCH
THE FIRST PHASE OF THE JOINT VENTURE.
SAUDI AGENCY: SAUDI BASIC INDUSTRIES CO. (SABIC).
COMPLETION OF THE FIRST PHASE (TECHNICAL, ECONOMIC
AND FINANCIAL STUDIES) WITHIN SIX MONTHS.
DETAILS: THE PROJECT WILL BE IN JUBAIL INDUSTRIAL
AREA AND WILL PRODUCE 600 THOUSAND TONS OF METHANOL
A YEAR, A BASIC CHEMICAL IMPORTANT FOR THE PRODUCTION
OF SEVERAL OTHER CHEMICAL PRODUCTS USED IN TIMBER
INDUSTRY AND ADHESIVE MATERIALS. CONSTRUCTION WORK
IS EXPECTED TO BEGIN IN 1979. IT WILL BE A JOINT
VENTURE ON A 50-50 BASIS BETWEEN SABIC AND THE

ABOVE FIRMS. MITSUBISHI HEAVY INDUSTRIES WILL PREPARE THE NECESSARY ENGINEERING STUDIES AND HAS OFFERED IMPLEMENTATION OF THE PROJECT. THE FINAL AGREEMENTS WILL BE SIGNED BETWEEN SAUDI ARABIA AND THE CONTRACTORS TO START WORK ON THE PROJECT.

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F) RESIDENTIAL COMMERCIAL CENTER CONTRACT, JIDDA
DATE SIGNED: LAST WEEK OF MAY 1977
VALUE: SR 150 MILLION
SAUDI AGENCY: SOCIAL INSURANCE ORGANIZATION
AWARDEE: WEST GERMAN FIRM (UNIDENTIFIED)
COMPLETION: 30 MONTHS
DETAILS: THE PROJECT ENVISAGES THE ERECTION OF A CENTRALLY AIRCONDITIONED 18-STORY BUILDING CONSISTING OF TWO BASEMENT FLOORS, TWO FLOORS FOR SHOPS AND COMMERCIAL PREMISES, THREE FLOORS FOR OFFICES, ONE FOR ENTERTAINMENT AND CHILDREN'S PLAYGROUND, AND THE REMAINING 12 STORIES COMPRISING 108 APARTMENTS FOR HOUSING PURPOSES.

G) CONTRACT FOR THE CONSTRUCTION OF 6 SCHOOLS FOR GIRLS, EASTERN AND NORTHERN PROVINCE
VALUE: SR 47.7 MILLION
SAUDI AGENCY: GENERAL DIRECTORATE FOR GIRLS EDUCATION
AWARDEE: FIVE NATIONAL FIRMS, ONE SWEDISH FIRM.

H) AGRICULTURAL PROJECTS
DATE CONTRACT SIGNED: MAY 1977
VALUE: SR 82 MILLION
SAUDI AGENCY: MINISTRY OF AGRICULTURE AND WATER
AWARDEE: ALL TO SAUDI FIRMS
COMPLETION: 1978/1979
DETAILS: THE PROJECTS INVOLVED CALL FOR THE CONSTRUCTION

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OF NEW BUILDINGS FOR THE MINISTRY'S DEPARTMENTS
IN THREE AREAS WHICH SUIT THE NATURE OF THE MINISTRY'S
AGRICULTURAL TASKS.

I) HIGHWAY CONSTRUCTION AGREEMENTS (9)

DATE SIGNED: JUNE 5, 1977

TOTAL VALUE: SR 864, 199,947

SAUDI AGENCY: MINISTRY OF COMMUNICATION

AWARDEE: ALL TO SAUDI FIRMS

COMPLETION: 1. 30 MONTHS FOR THE CONSTRUCTION

THE 64 KM RIYADH AL-KHARJ HIGHWAY. VALUE: SR 212,523,000

2. 35 MONTHS FOR THE SURFACING OF THE THIRD

PART OF THE 115 KM AL-SALIL NEJLAN HIGHWAY.

VALUE: SR 170,201,680

3. 40 MONTHS FOR THE CONSTRUCTION OF THE 64

KM ABI AL-SALABIKH-ALAKA HIGHWAY. VALUE: SR 117,800,783

4. 200 DAYS FOR THE BUILDING OF THE THIRD PART OF

THE 20.180 KM JIDDA-MECCA AUTOSTRAD. VALUE: SR 122,000,000

5. LINKING TAMAMA-TOWAIK-BOWAIB ROAD WITH TABUK.

VALUE: SR 53,180,468

6. SUPPLEMENT TO THE CONTRACT FOR CONSTRUCTION

OF THE RING ROAD AROUND AL-SHEFA AND EXTRA WORKS

THAT QUALIFY FOR A 20 PERCENT PRICE RISE.

VALUE: SR 87.1 MILLION

7. 720 DAYS FOR CARRYING OUT THE HUFARA NASSAH

ROAD. VALUE: SR 86,711,940

8. 360 DAYS FOR THE 11.900 KM BIMBAU ROAD

VALUE: SR 14,645,000

9. THREE YEARS FOR DESIGNING AND SUPERVISING

IMPLEMENTATION OF THE 500 KM HIGHWAY BETWEEN AL-

HAFUUF-RIYADH-MUJAHMEYA-HOLBAN.

VALUE: SR 36,128,000

J) DRAINAGE PROJECT CONTRACT, KHAMIS MESHAI.

DATE SIGNED: JUNE 5, 1977

VALUE: SR 258.31 MILLION

SAUDI AGENCY: MINISTRY OF MUNICIPALITY AND RURAL

AFFAIRS.

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COMPLETION: 40 MONTHS

DETAILS: THE PROJECT CONSISTS OF THE EXTENSION

OF DRAINS, DOMESTIC CONNECTIONS, FLOOD WATER CANALS,

AND ASPHALTING OF A FEW ROAD STRETCHES. THE

CONTRACT FURTHER ENVISAGES THE LAYING OF 50 KM

PIPELINE, 250 TO 600 MILLIMETER DIAMETER, CON-

STRUCTION OF THREE PUMPING STATIONS, A PLANT FOR
PURIFYING DRAINAGE WATER, FLOOD WATER CANALS AND
A FERRO-CONCRETE DAM.
K) MICROWAVE SYSTEM PROJECT CONTRACT
DATE SIGNED: JUNE 6, 1977
VALUE:SR 1,536 MILLION
SAUDI AGENCY: MINISTRY OF POSTS,TELEPHONES AND
TELEGRAPHS
AWARDEE: WESTERN ELECTRIC AND COLLINS RADIO (US)
COMPLETION: 30 MONTHS
DETAILS: THE SYSTEM WILL COVER THE ENTIRE CITIES
OF THE KINGDOM AS WELL AS 95 PERCENT OF THE VILLAGES WITH
A COMMUNICATION NETWORK OF TELEPHONE,TELEX AND
TELEGRAPHIC SERVICES. THE PROJECT IS LIKELY TO
COVER AN AREA OF 10,000 KMS. THERE WILL BE MORE
THAN ONE TV CHANNEL, ONE OF WHICH WILL BE ALLOCATED
TO EDUCATIONAL AND CULTURAL PROGRAMS. THIS PROJECT
WILL INCREASE TELEVISION LINES TO 140,000 IN NUMBER. THE
PROJECT COMPRISES 10,000 CHANNELS AND CALLS FOR THE
CONSTRUCTION OF 300 TOWERS BETWEEN 40M TO 60M HIGH.

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THE MICROWAVE NETWORK IS NOT BE CONFUSED WITH
THE AUTOMATIC TELEPHONE EXPANSION -- A MULTI-
BILLION RIYAL PROJECT WHICH WILL GIVE THE COUNTRY
AN ADDITIONAL ONE-HALF MILLION TELEPHONE LINES
INSIDE THE CITIES AND TOWNS. THE TWO PROJECTS
ARE COMPLEMENTARY. THE MICROWAVE NETWORK WAS
DESIGNED IN ACCORDANCE WITH THE STUDIES UNDERTAKEN
BY WESTERN ELECTRIC IN COLLABORATION WITH COLLINS-
SIEMENS AND THE RESEARCH OF BELL TELEPHONE LABS.
L) VETERINARY LABORATORY CONTRACT, RIYADH

SALE APPROVED BY THE CABINET: JUNE 7, 1977

VALUE: SR 24 MILLION

SAUDI AGENCY: MINISTRY OF AGRICULTURE & WATER

AWARDEE: MIRABEAU INSTITUED (FRENCH)

COMPLETION: UNDETERMINED

DETAILS: THE COUNCIL OF MINISTERS APPROVED A REQUEST BY THE MINISTER OF AGRICULTURE AND WATER TO SIGN THE CONTRACT FOR THE LABORATORY WHICH WILL PRODUCE VACCINE TO PROTECT ANIMAL LIFE IN THE COUNTRY.

M) ABHA AIRPORT EXPANSION

VALUE: SR 138,000,000

SAUDI AGENCY: CIVIL AVIATION DIRECTORATE

COMPLETION: 20 MONTHS

DETAILS: THE NEW EXPANSION WILL INCLUDE THE CONSTRUCTION OF A PARALLEL RUNWAY EXTENSION OF THE UNCLASSIFIED

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TRAMAC AND COMPLETION OF OTHER CONSTRUCTION WORKS AT THE AIRPORT.

THE SECOND PHASE OF THE ABHA AIRPORT PROJECT, WHICH WILL COST SR 52 MILLION, WILL COVER THE INSTALLATION OF NAVIGATIONAL INSTRUMENTS IN THE CONTROL TOWER, ILLUMINATION OF OFFICE BUILDING, CONSTRUCTION OF AN OVERPASS AT THE INTERSECTION OF ABHA-KHAMIS MESHAIT HIGHWAY WITH THE ROAD LEADING TO THE AIRPORT, IN ADDITION TO A BIG MOSQUE AT THE AIRPORT.

N) SUPPLY RIYADH WITH DESALINATED WATER VALUE: SR 48,920

SAUDI AGENCY: SALINE WATER CONVERSION CORPORATION

AWARDEE: INGS MUNSCHAFT LASER FIZILMEYER CONSULTING COMPANY GERMAN

DETAILS: THE CONTRACT IS FOR MAKING STUDIES AND PREPARING PLANS COVERING A FRESH WATER PIPELINE TO BE EXTENDED FROM JUBAIL TO KHORAI FOR THE SUPPLY OF RIYADH WITH ARABIAN GULF DESALINATED WATER.

O) ABQIQ- YENBO PIPELINE STUDIES

DATE CONTRACT SIGNED: FIRST WEEK OF JUNE

SAUDI AGENCY: PETROMIN

AWARDEE: BROWN & ROOT, P.O. BOX 3412, RIYADH, PHONE 62590, TELEX 20038 KANOO SJ (U.S. FIRM)

DETAILS: BROWN & ROOT WOULD BE UNDERTAKING THE STUDIES AND DESIGNS OF THE OIL PIPELINE FROM ABQAIQ FIELDS TO YENBO (REPORTED SEPARATELY).

P) TELECOMMUNICATIONS SCHEME FOR THE INDUSTRIAL COMPLEX AT YENBO

DATE SIGNED: FIRST WEEK OF JUNE 1977.

VALUE SR 29 MILLION.

SAUDI AGENCY: ROYAL COMMISSION FOR JUBAIL & YENBO

AWARDEE: NIPPON ELECTRIC COMPANY (NEC) (JAPANESE)

COMPLETION: 22 MONTHS FIRST STAGE WITHIN 5 MONTHS

DETAILS: THE PROJECT WILL ENSURE VITAL AND NECESSARY

SERVICES FOR IMPLEMENTATION OF THE INFRASTRUCTURES
AND INDUSTRIAL PROJECTS HARMONIOUSLY AND EFFECTIVELY.
Q) CONTRACT FOR RIYADH ELECTRIC COMPANY NEW GRID
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DATE SIGNED: FIRST WEEK OF JUNE 1977.

VALUE SR 530 MILLION

SAUDI AGENCY: RIYADH ELECTRIC POWER COMPANY

AWARDEE: JAPANESE FIRM (UNIDENTIFIED)

COMPLETION: 24 MONTHS

DETAILS: THE CONTRACT IS FOR IMPLEMENTATION OF A
SCHEME FOR THE DISTRIBUTION OF ELECTRIC POWER AND
THE ESTABLISHMENT OF LINES AND DISTRIBUTION STATIONS
WITH A CAPACITY OF 133,000 VOLTS AROUND RIYADH AND
33,000 VOLTS INSIDE THE CITY. THE CONTRACT ALSO
ENVISAGES THE SUPPLY, INSTALLATION AND OPERATION
OF SUB-STATIONS, CONSTRUCTION REQUIREMENTS,
EXCAVATIONS, LOCAL WORKS, AND INSTALLATION OF
ELECTRICITY LINES.

R) ABHA DAM WATER PURIFICATION CONTRACTS, (TWO)

DATE SIGNED: FIRST WEEK OF JUNE 1977,

VALUE: SR 119.5 MILLION

SAUDI AGENCY: MINISTRY OF AGRICULTURE & WATER

COMPLETION: 18 MONTHS FOR PURIFICATION OF THE
DAM WATERS; 30 MONTHS FOR THE SUPPLY OF POTABLE
WATER TO THE CITY FROM THE WADI HAJLA.

DETAILS: THE FIRST AGREEMENT ENVISAGES THE
PURIFICATION OF THE ABHA DAM WATERS IN ORDER TO
SECURE STERILIZED WATER FIT FOR DRINKING PURPOSE
ACCORDING TO WHO STANDARDS. THE SECOND CALLS FOR
THE SUPPLY OF POTABLE WATER TO THE CITY FROM THE
SHALLOW WELLS DRILLED IN WADI HAJLA AFTER PROCESSING
ACCORDING TO INTERNATIONAL HEALTH STANDARDS.

NOTE: SR 3.50 IS EQUAL TO \$1.00

3) FUTURE REPORT WILL BE SENT VIA AIRGRAM
WITH DPARTMENTS CONCURRENEE
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Message Attributes

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